

FISCAL NOTE

Bill #: HB0643

Title: Require scientifically based risk management brucellosis bison plan

Primary

Sponsor: Gail Gutsche

Status: As introduced/revised

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund (01)	\$1,947,339	\$1,483,944
State Special Revenue (02)	250,300	250,300
Revenue:	0	0
Net Impact on General Fund Balance:	(\$1,947,339)	(\$1,483,944)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. If the State of Montana is to transfer brucellosis-free bison to any other entity, a quarantine facility will be necessary whether it is a federal or state facility. Communications from USDA/DOI indicate that \$1.5 million has been set aside in the federal budget for a quarantine facility pending the outcome of the EIS or future negotiations. Should such a facility be required or needed, in lieu of or in addition to a federal facility, the projected costs are provided in this fiscal note. Any federal funds authorized for the next biennium in the Department of Livestock (DOL) bison budget is for the operation of the Horse Butte capture facility only.

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2. Based upon historical Yellowstone National Park (YNP) bison migration trends, it is assumed that 200 bison may remain quarantined in FY 2000 and 400 may remain quarantined in FY 2001. A detailed cost analysis by Veterinary Services from USDA /APHIS indicates that the capital outlay to construct the facility would be \$538,000. There may be an additional cost of \$350,000 for associated NEPA/MEPA costs.
3. In the absence of donated or leased land from any entity, DOL may need to acquire 200 acres for the quarantine facility to handle 200 quarantined bison in FY 2000. An additional 200 acres may be needed in FY 2001 for 400 quarantined bison. At an estimated cost of \$3,000 per acre this would cost the State \$600,000 each year of the biennium.
4. The personal services cost assumes five FTE to operate the facility. One grade 16 facility manager, one grade 19 veterinarian and three grade 10 animal care/testing workers are assumed. This is a year round operation with 2096 hours in FY 2000 and 2080 hours in FY 2001. Salaries are calculated at market ratio and benefits are calculated at 20%. The cost is \$182,839 in FY 2000 and \$181,972 in FY 2001.
5. Based on historical testing, it is assumed that 50% of the bison captured will test positive. Animals testing negative will be eligible for the quarantine facility. Thus, of an estimated 400 bison initially quarantined each year, 200 will be sent to slaughter. Bulls slaughtered will be 40% of those testing positive. Cows and calves slaughtered will be 60% of those testing positive. Bulls cost \$100 and cows and calves cost \$75 per head for slaughter. Thus, slaughter costs each year are \$8,000 for 80 bulls plus \$9,000 for 120 cows and calves for a total of \$17,000 each year. Hauling costs to slaughter is assumed at \$2 per mile, 200 miles round trip with an average load of five bison per load or 40 trips. Thus, hauling costs for slaughter are \$16,000 per year. Combined slaughter and hauling cost total \$33,000 each year. These associated costs are in compliance with the present national Brucellosis Eradication program.
6. For compliance with the APHIS Brucellosis Eradication Program, bison may be released to other entities only in accordance with the APHIS bison quarantine protocol. This protocol includes testing for CARD, SPT, RIV, CF, and PC at a cost of \$10 per animal x 12 tests a year x 200 animals = \$24,000 in FY 2000 and \$48,000 in FY 2001 for 400 animals. Vaccinations are \$2.50 per head x 200 in FY 2000 = \$500 and x 400 in FY 2001 = \$1,000.
7. It is assumed from USDA/APHIS data that feed and maintenance cost is \$3 per head per day. This is \$219,000 in FY 2000 for 200 head and \$438,000 in FY 2001 for 400 head. Included in this cost are all feed and supplies, electricity and water and contracted maintenance workers.
8. It is assumed that the DOL will continue to have a presence at the two bison capture facilities, continue existing functions and maintain appropriation authority presently included in HB 2. Maintenance of these facilities is essential for any bison to be transferred to a quarantine facility. Any bison testing negative will be eligible for a quarantine facility.
9. It is assumed that with the donation of public bison to qualifying entities there will be no revenue generated to the state.
10. It is assumed that no state special revenue will be used to operate the bison quarantine facility. All costs are general fund.

Department of Fish, Wildlife and Parks

11. The Department of Fish, Wildlife and Parks (FWP) and the Department of Livestock will jointly manage the wild buffalo in this state. FWP will be the lead agency in this effort. Based on Department of Livestock's past experiences, the cost to FWP will be approximately \$150,000 annually, including a grade 16 bison coordinator and operating costs for on-the-ground management activities such as trapping, transporting, hazing, etc.
12. Ecological carrying capacities have been determined in an existing environmental impact statement (EIS). Developing a management plan in conjunction with the tribes, and complying with MEPA requirements,

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will require a grade 15 biologist plus operating costs until the plan is in place. The proposed definition of “low risk” wild buffalo will result in animals roaming onto private lands where they were not allowed before. This will result in additional damage control efforts by FWP with approximately 120 animals per year at an estimated cost of \$300/animal.

FISCAL IMPACT:**Department of Livestock**

	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>
FTE	5.00	5.00
<u>Expenditures:</u>		
Personal Services	\$182,839	\$181,972
Operating Expenses	<u>1,764,500</u>	<u>1,301,972</u>
TOTAL	\$1,947,339	\$1,483,944
<u>Funding:</u>		
General Fund (01)	\$1,947,339	\$1,483,944
<u>Revenues:</u>	0	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$1,947,339)	(\$1,483,944)

Department of Fish, Wildlife and Parks

FTE	2.00	2.00
<u>Expenditures:</u>		
Personal Services	\$71,300	\$71,300
Operating Expenses	<u>179,000</u>	<u>179,000</u>
TOTAL	\$250,300	\$250,300
<u>Funding:</u>		
State Special Revenue (02)	\$250,300	\$250,300
<u>Revenues:</u>	0	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$250,300)	(\$250,300)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

NONE

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LONG-RANGE IMPACTS:

HB 643 may have significant long-range fiscal impact on the Department of Livestock and the State of Montana. The quarantine facility may require the testing of bison from three to six years. The USDA/APHIS and the Department of Livestock both project that there would be as many as 1500 to 2000 bison required in a quarantine facility. USDA/APHIS has projected that the capital outlay for a facility with this capacity would be \$1,927,000. The purchase of the additional land could cost the State of Montana as much as \$9,000,000. For every 200 bison added in the facility there would be an operational cost increase of \$418,500, as indicated by the USDA/APHIS analysis. Thus, by the time there were 1600 bison in the quarantine facility there would be an additional \$2,511,000 in operational costs above those projected for 400 bison in this fiscal note. Thus, there would be \$10,917,000 in capital outlay and land purchase plus \$2,511,000 of yearly operational cost in addition to all costs projected in this fiscal note. All of these costs could be general fund since no federal or state special revenue is guaranteed for the operation of the facility.

TECHNICAL NOTES:

1. It is not clear in the bill which department is to operate the two capture facilities, FWP or DOL. Therefore, DOL has kept those costs in its budget. FWP may be required to maintain a presence at both capture facilities as well, and to maintain a level of expenditure similar to FY 1998 which was \$154,233. As provided for in the federal court approved settlement agreement of 1995, the State of Montana is operating under the federal court approved Interim Bison Management Plan (Environmental Assessment) and agreed to by the NPS, USDA/APHIS, USFS, MDOL, MDFWP and Governor's Office. The signators of the settlement agreement are legally bound to operate under this plan until the long-term EIS is complete, or until amended by the federal court or the signators of the plan.
2. The quarantine facility may be built and operated in accordance with federal standards and protocol as provided for in the Uniform Methods and Rules, National Brucellosis Eradication Program to protect the Montana brucellosis-free status for the livestock industry.
3. Previous federal court decisions have determined that specific bison numbers must be maintained in Yellowstone National Park, in order to maintain a viable bison herd. DOL has been unable to determine how, if this legislation is enacted, bison will be returned to the YNP.
4. The federal government has classified the State of Montana as brucellosis class-free. The State of Montana would have to request USDA/APHIS to grant a waiver in order for the State of Montana to operate a quarantine facility, thereby not jeopardizing Montana's class-free status. In the absence of a quarantine facility, Montana may lose its brucellosis-free status.
5. For bison to be moved to another entity under the federal brucellosis eradication program, the bison must have completed the bison quarantine protocol. The proposed APHSIS low-risk definition applies only to bison adjacent to the western border of YNP. As stated in the Feb. 8, 1998, letter from Dr. Joan Arnoldi, Deputy Administrator, Veterinary Services, USDA, this definition does not apply to bison to be moved beyond that area.